



ENERGY ASSURANCE DAILY

Wednesday Evening, June 02, 2010

Major Developments

Update: BP Begins New Effort to Cap Spill in Gulf of Mexico June 1, but Jammed Saw Slows Progress

BP deployed its lower marine riser package (LMRP) cap containment system on June 1, but the operation suffered a setback when a robot-operated, diamond-tipped saw got stuck in the riser pipe, the U.S. Coast Guard confirmed. The LMRP plan involves cutting off a piece of the riser pipe, and then placing a containment dome over it to capture most of the leaking oil and gas. The captured oil and gas would be transported to a drillship above water. BP was able to cut off one section of the pipe, but a saw got stuck as it attempted to make a second cut, according to the U.S. Coast Guard. Robot submarines were working to dislodge the jammed saw, as of latest reports. Should they succeed in freeing the saw, BP could put the containment cap in place as soon as today. Coast Guard Adm. Thad Allen, the official in charge of the federal response, warned that the procedure could actually cause the size of the leak to temporarily increase by up to 20 percent. That, according to the New York Times, is because it is possible that existing kinks in the riser are actually slowing the leakage rate; since responders will, under the new procedure, have to cut off a portion of the riser pipe, the move could cause more oil to leak from the riser.

<http://www.bp.com/extendedsectiongenericarticle.do?categoryId=40&contentId=7061813>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7062526>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7062524>

<http://www.bp.com/genericarticle.do?categoryId=2012968&contentId=7062487>

<http://www.deepwaterhorizonresponse.com/go/doc/2931/576331>

<http://www.kwtx.com/nationalnews/headlines/95336649.html>

<http://www.nytimes.com/2010/06/01/us/01spill.html?hp>

<http://www.nytimes.com/2010/06/03/us/03spill.html?hp>

<http://www.chron.com/disp/story.mpl/business/energy/7032705.html>

Update: NOAA Expands Fishing Closure Zone to Include More than 31 Percent of Federal Waters in Gulf of Mexico by June 1

http://www.noaanews.noaa.gov/stories2010/20100601_closure.html

Update: Tar Balls, Oil Debris Reach Dauphin Island in Alabama and Portions of Mississippi, Nearing Florida's Panhandle Coast

Reuters, 11:31 June 2, 2010

Update: U.S. Government Begins Criminal and Civil Investigations into Gulf of Mexico Oil Spill: U.S. Attorney General Eric Holder

Reuters, 18:13 June 1, 2010

Electricity

Lightning Strike Knocks Out Power to About 65,000 Customers in Alberta, Canada June 1

A lightning bolt struck the power line that links the Alberta and British Columbia power grids, knocking out electricity briefly to about 65,000 customers in Alberta, Canada. Among the outages were about 35,000 EPCOR customers, but the company restored service to all in a half an hour.

<http://www.inews880.com/Channels/Reg/LocalNews/story.aspx?ID=1236248>

Fire Causes Damage at PPL Montana's 154 MW Coal-Fired Corette Power Plant in Montana

The plant was offline for annual maintenance, according to a company official; he said the fire would not push back the restart. There were no injuries.

<http://www.pplmontana.com/producing+power/power+plants/J.E.+Corette.htm>

<http://www.greatfallsbtribune.com/article/20100601/NEWS01/100601001>

Dynegy's 335 MW El Segundo Gas-Fired Unit 3 in California Shut by June 1

According to the California Independent System Operator, the unit reported an unplanned outage by June 1.

<http://www.caiso.com/unitstatus/data/unitstatus201006011515.html>

Entergy's 966 MW River Bend Nuclear Unit 1 in Louisiana Reduced to 70 Percent by June 2

The Nuclear Regulatory Commission reported that on the morning of June 1 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Luminant's 1,150 MW Comanche Peak Nuclear Unit 1 in Texas Reduced to 85 Percent by June 2

The Nuclear Regulatory Commission reported that on the morning of June 1 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

SCE&G's 966 MW Summer Nuclear Unit in South Carolina Reduced to 89 Percent by June 2

The Nuclear Regulatory Commission reported that on the morning of June 1 the unit was operating at full power. Information derived from the NRC Power Reactor Status Reports:

<http://www.nrc.gov/reading-rm/doc-collections/event-status/reactor-status/2010/>

Arizona Corporation Commission Okays Rules Requiring In-State Utilities to File 15-Year Plans

The Arizona Corporation Commission gave final approval to rules requiring Arizona's public utilities to file 15-year plans, every two years, for how they will fulfill their customers' energy needs.

<http://www.azcc.gov/Divisions/Administration/news/100527IRP.pdf>

Petroleum

FCC Snag at ExxonMobil's 192,500 b/d Chalmette, Louisiana Refinery June 1

A compressor on the 71,600 b/d gasoline-producing fluidic catalytic cracking unit (FCC) malfunctioned on June 1, trade and industry sources said.

<http://www.reuters.com/article/idUSWEN539520100602?type=marketsNews>

Valero Sees no Impact to Production after Unscheduled Repairs at 315,000 b/d Corpus Christi, Texas Refinery June 1

Valero performed "maintenance on an electrical subsystem" at its 315,000 b/d Corpus Christi, Texas refinery, but the work had "no material impact to production," a spokesman said. The work was unplanned and led to emissions, according to a filing with state regulators.

<http://www11.tceq.state.tx.us/oc/eer/index.cfm?fuseaction=main.getDetails&target=140428>

<http://www.reuters.com/article/idUSN0113546520100601?type=marketsNews>

Hurricanes Could Cause Cracks or Ruptures along Oil Pipelines in Gulf of Mexico: Study

There are 31,000 miles of pipeline along the floor of the Gulf of Mexico, and those lines are extremely vulnerable to hurricane-related currents and waves, according to an upcoming report in Geophysical Research Letters.

http://www.usatoday.com/weather/storms/hurricanes/2010-06-01-oil-hurricanes_N.htm

Explosion, Fire Damages Unit at ConocoPhillips' Lost Cabin Natural Gas Processing Plant in Wyoming June 1

A fire caused "significant damage" to a Train II unit at ConocoPhillips' Lost Cabin natural gas processing plant near Lysite, Wyoming, according to the district chief of the Fremont County Fire Protection District. Workers shut off a fuel source at the facility, and the fire was largely contained when fire crews arrived.

http://billingsgazette.com/news/state-and-regional/wyoming/article_3da8e74e-6e03-11df-b25a-001cc4c03286.html

Energy Transfer Partners Plans 645 MMcf/d, 63-Mile Natural Gas Pipeline in Texas

The 20- and 24-inch natural gas pipeline would begin in southeast Shelby County, Texas and end in Nacogdoches County, Texas. It would serve producers in the Haynesville Shale. The company expects to begin partial service in the third quarter of 2010, and launch full service in the fourth quarter of 2010.

http://www.energytransfer.com/press_release.aspx?idPressRelease=339

Update: Energy Transfer Partners Breaks Ground on Planned 2-to-2.4 Bcf/d, 175-Mile, Texas-to-Louisiana Tiger Natural Gas Pipeline

The 42-inch line is expected to run from Panola County, Texas to Richland Parish, Louisiana. It would serve producers in the Haynesville Shale and Bossier Sands of Louisiana and East Texas. Energy Transfer Partners expects to open the project's initial, 2 Bcf/d phase in the first quarter of 2011 and – pending regulatory approvals – it plans to expand that total to 2.4 Bcf/d in the last half of 2011.

http://www.energytransfer.com/press_release.aspx?idPressRelease=338

Update: Despite Reports of Delay, El Paso Eyes March 2011 Start-Date for Proposed 1.5 Bcf/d, 42-Inch, Wyoming-to-Oregon Ruby Natural Gas Pipeline

El Paso Corp. expects to break ground in late June or early July and open the line in March 2011, contrary to a press report that said permitting issues had postponed construction, a company spokesman said.

<http://www.wyomingbusinessreport.com/article.asp?id=51867>

http://www.sltrib.com/ci_15192344?source=most_viewed

<http://www.rubypipeline.com/>

Enterprise Plans 300 MMcf/d Expansion along Existing 400 MMcf/d State Line Natural Gas Pipeline in Louisiana

Enterprise Products Partners L.P. plans to expand its newly-purchased, existing 400 MMcf/d State Line natural gas pipeline system in Louisiana by approximately 300 MMcf/d, the company said on June 1. It expects to open the project in the fourth quarter of 2010. As part of the project, the company plans to:

- Construct a new pipeline from the existing 180 MMcf/d Battlefield treating facility in southern DeSoto Parish, Louisiana to the 42-inch Gulf South Pipeline at the Kingston Station in DeSoto Parish, Louisiana. The line would deliver up to 250 MMcf/d of natural gas.
- Install two, 700 gallons/minute amine units at its Battlefield and Keatchie treating facilities. The units would provide up to 350 MMcf/d of incremental treating capacity to the system.

<http://phx.corporate-ir.net/phoenix.zhtml?c=80547&p=irol-newsArticle&id=1433042&highlight=c>

Other News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices			
June 2, 2010			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	73.73	71.26	68.47
NATURAL GAS Henry Hub \$/Million Btu	4.39	4.08	3.86

Source: Reuters

Energy Notes

Winds, Storm Cut Power to 20,000 OPPD Customers in Nebraska June 1

<http://www.ketv.com/news/23759020/detail.html>

Cable Problem Knocks Out Power Briefly to 20,000 Toronto Hydro Customers in Canada June 2

<http://www.thestar.com/news/gta/article/817927--large-section-of-downtown-toronto-hit-by-power-outage?bn=1>

Copper Theft Knocks Out Power to School in Sacramento-Area, California by June 2

<http://cbs13.com/local/bancroft.copper.wire.2.1728347.html>

Operators Failed to Quickly Resolve Safety Issues Related to Flood Possibility at Xcel's 1,137 MW Prairie Island Nuclear Power Plant in Minnesota: Preliminary NRC Finding

<http://www.republican-eagle.com/event/article/id/66927/>

One-Eighth Inch Hole Found along Two-Inch Drain Line at Entergy's 563 MW Vermont Yankee Nuclear Power Plant – Operators Say Leak Involved Vapor and Water, and Company Sees No Threat to Public

http://www.reformer.com/localnews/ci_15198435

NRC Seeks Public Comment on Proposed Rule that Would Establish Security Requirements for the Most Risk-Significant Radioactive Materials, as Well as for Shipments of Small Amounts of Irradiated Reactor Fuel

<http://www.nrc.gov/reading-rm/doc-collections/news/2010/10-096.html>

Wisconsin-Based Dairyland Power Cooperative Integrates into Midwest ISO – Cooperative to Add More Than 1,300 MW of Capacity, Reduce Number of Tie Lines by More than 200

http://www.midwestiso.org/publish/Document/15cf2f_128d94d853e_-7f0c0a48324a/Midwest%20ISO_Dairyland%20Integration060110.pdf?action=download&_property=Attachment

Tampa Electric Completes Installation of Selective Catalytic Reduction Equipment at Big Bend Power Station Unit 1 in Florida – Project Marks Final Component of 10-Year, \$1.2 Billion Environmental Investment and Emissions Reduction Program

<http://www.tampaelectric.com/news/article/index.cfm?article=538>

Progress Completes \$1.4 Billion Project to Reduce Nitrogen Oxide and Sulfur Dioxide Emissions at Crystal River Coal-Fired Power Plant in Florida by May 30

http://www.tradingmarkets.com/news/stock-alert/pgn_progress-completes-overhaul-of-units-960581.html

Citing Increased Demand, Flint Hills Resources to Restart Crude Oil Processing Unit at 220,000 b/d North Pole, Alaska Refinery

http://www.alaskajournal.com/stories/052810/loc_img1_002.shtml

TGP Reports Force Majeure along Natural Gas Pipeline in Tennessee by June 1

<http://tebb.epenergy.com/ebb/notices/NoticeView.asp?sPipelineCode=TGP&sSubCategory=Critical&sNoticeId=131777>

Engine Shutdown Triggers Flaring at Keystone Gas Plant in Texas June 1

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=140436>

Alternate Petroleum Technologies Commissions 3.7 MMGal/Yr. Emulsified Biodiesel Fuel Blending Unit near Sacramento, California

<http://www.prnewswire.com/news-releases/alternative-petroleum-technologies-commissions-first-emulsified-biodiesel-fuel-blending-unit-in-california-95348239.html>

CONSOL Energy and Verdeo Group, Inc. to Develop Ventilation Air Methane Abatement Project at CONSOL's McElroy Coal Mine in West Virginia

<http://www.prnewswire.com/news-releases/consol-energy-and-verdeo-group-to-develop-first-large-coal-mine-ventilation-air-methane-abatement-project-in-west-virginia-95402604.html>

Links

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM & 1:00 PM EST every Wednesday.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM EST every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

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